

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000767

SIPDIS

E.O. 12958: DECL: 03/21/2015

TAGS: [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [SOCI](#) [BR](#)

SUBJECT: SEVERINO CAVALCANTI LEADS BRAZILIAN CONGRESS IN UNEXPECTED DIRECTIONS

REF: A. BRASILIA 387

[1](#)B. BRASILIA 573

[1](#)C. BRASILIA 043

Classified By: POLOFF RICHARD REITER, REASON 1.4B AND D.

1 (C) SUMMARY. In February, Severino Cavalcanti was elected Speaker of Brazil's Chamber of Deputies. Thus, an unknown with an undistinguished career built on small-state clientelism was thrust improbably into the national spotlight. Cavalcanti is already having a strong, if somewhat peculiar, influence on Brazilian politics. His unpredictability and independence have alternately irritated and delighted the governing coalition and the Lula administration. Cavalcanti's priorities are not exactly at odds with President Lula's, but he is intent on making the Chamber more independent of the executive branch. His election as Speaker is both a cause and a consequence of the administration's inability to strengthen the governing coalition, and his rise will complicate Lula's efforts to push his agenda through Congress. The jury is still out on whether Cavalcanti is in over his head or is a clever tactician outmaneuvering his opponents. In any event, he represents a return of clientelist politics rooted in social assistance programs and pork-barrel projects that do little to advance the broader national debate. Cavalcanti, though, has an affection for Abraham Lincoln and President Bush. END SUMMARY.

CAVALCANTI'S STYLE -- NO STYLE AT ALL

[1](#)2. (C) On February 14, the Brazilian Chamber of Deputies (lower house) elected Severino Cavalcanti, an undistinguished back-bencher from the right-wing Progressive Party (PP) as its new Speaker (ref A). In his ten years in Congress (after three decades in state politics), Cavalcanti --a 74-year old with no college education-- had never chaired a committee or sponsored significant legislation. His support base in the northeastern state of Pernambuco comprises religious conservatives and small towns in the state's interior that benefit from the largesse of their local "colonel". Presiding over the Chamber for a month now, Cavalcanti has left a strong impression with his untailored speaking style, his unabashed quest for Congressional perks, and his insistence that the congressional agenda be independent of the administration's (although his PP party is a member of Lula's coalition). He has alternately irritated the administration, the coalition, the opposition, the Senate, and his own party. Until, or unless, Cavalcanti settles into a more predictable pattern, it is impossible to say how the legislative agenda will fare in the coming months. In his first five weeks, Cavalcanti has scored some unexpected victories and suffered some unnecessary defeats.

ACTIVE LEGISLATIVE AGENDA...

[1](#)3. (C) Cavalcanti has announced his intent to dust off old bills, even over the administration's protests, that were stalled for political reasons. He also seems poised to advocate an expensive populist agenda that could threaten the GoB's fiscal austerity. In short order, he has:

- pushed hard for a raise in Congressional salaries, only to be rebuffed by the Senate. Piqued, he responded with a decree raising Deputies' office stipends by 25%;
- reluctantly sent the Biosafety law to the Chamber floor, where it passed on March 2 (ref B). A religious conservative, Cavalcanti opposed the bill because it authorizes stem-cell research, but he allowed it to come to a vote under heavy pressure from both sides of the aisle;
- forced the Lula administration to back down and revise Presidential Decree 232, a controversial measure that would raise taxes on the agricultural and service sectors;
- sent the "Parallel Pension Reform" to the floor where it passed and went to the Senate. This bill was part of the compromise that allowed the passage of the broad 2003 pension reform. But the administration (and the former Speaker) kept the parallel bill off the floor because it waters down the original reform. Far from reducing the US\$14 billion deficit in the pension system predicted for this year, the parallel bill would add another US\$480 million in expenses;

- took advantage of an inattentive coalition leadership to pass a budget-busting US\$10 billion increase in social assistance benefits. If the measure survives the Senate, Lula will be forced to veto it.

...AND UNPREDICTABLE POLITICAL MANEUVERS

14. (C) Meanwhile, Cavalcanti's blunt speaking style, throwback political positions and sheer lack of shame have made for some interesting moments. He has:

- entertained the press with his colorful comments ("Congress is not a suppository") and his political incorrectness (remarks that excuse slave labor "in certain situations");

- used his influence to get drunk driving charges dropped against a hometown constituent;

- been visibly bewildered by a noisy demonstration of gay activists in his office, which elicited his promise to send a gay rights bill to the floor even though he himself would vote against it;

- irritated his own party by acting without consulting party leaders; insisting that his personal favorite (Federal Deputy Ciro Nogueiro) get the PP's cabinet slot in Lula's upcoming cabinet shuffle;

- irked the opposition PSDB by trading insults with a PSDB Deputy as he buried the Deputy's attempt to sue President Lula; and irritated the opposition PFL when he tried to negotiate directly with the administration changes to Presidential Decree 232 (see above).

A LOOK AHEAD - POOR VISIBILITY

15. (C) Congress has a full plate of important bills ranging from tax and political reform to abortion and gay rights (ref C), but Cavalcanti's unpredictable behavior makes it impossible to assess how the agenda will fare. His PP party had always been a docile coalition member, but as soon as he was elected Speaker, PP leaders began demanding a greater policy role and cabinet seats, suggesting that the PP is unlikely to help the coalition overcome its deep disarray. Indeed, much of the uncertainty in Congress stems from the coalition's self-inflicted wounds. Lula's Workers' Party (PT) has been negligent in coordinating or disciplining its allies, and Lula has dragged out the cabinet shuffle for three months, aggravating the disorder. Brazil's political parties are notoriously undisciplined, so coalition maintenance is an ongoing struggle. Thus, Cavalcanti's influence on the Chamber agenda has been amplified precisely because coalition leaders have been AWOL. By now, significant numbers in all the coalition parties, including the PT, see no need to make political sacrifices on tough votes or to hew to administration wishes --even where these wishes are made clear. As a result, the administration was unable to muster even the 40% of floor votes required to kill the Parallel Pension reform (see above). One observer noted that "the administration is watching, with its arms crossed" as Congress passes budget-busting bills. It remains to be seen whether these bills will survive more sober debate in the Senate and then whether President Lula will directly confront Cavalcanti by vetoing them.

COMMENT - POPULIST BUMPKIN OR CLEVER TACTICIAN?

16. (C) After five weeks as Speaker of the Chamber, it is too soon to judge Severino Cavalcanti, but his two-year mandate coincides with the second half of Lula's term, so their fates are bound together. Friends insist that Cavalcanti's indelicate demeanor disguises a savvy tactician. "Someone who's been in public life for forty years and never lost an election has got to be pretty clever", observes PP president, Pedro Correa. Indeed, within one month Cavalcanti got himself elected to the third highest job in the country over Lula's own candidate, boosted the profile of his party, imposed his own man on Lula's cabinet, and is driving the federal legislative agenda.

17. (C) Others see Cavalcanti's rise as a sign that something is broken in Brazilian politics. Party discipline has never been weaker, so policy initiatives are often hamstrung by unexpected (and some argue unhealthy) compromises, while debate is reduced to demagoguery. Cavalcanti merely signals the reemergence of clientelist politics, he is not the cause. The GoB for years has fed the populist culture by offering assistance programs instead of economic growth as a development policy. When, as now, fiscal constraints impose cuts on the social handouts, then dissatisfied citizens turn to populists for quick fixes. Brazilians are accustomed to looking to the state to solve individual problems, creating a fertile field for Cavalcanti's brand of clientelism. Cavalcanti was elected Speaker with a decisive 60% of the floor votes, many of them unknowns like him, more interested

in funneling pork to their constituents than national debates over the greater good.

18. (C) While he is neither widely-traveled nor well-read, Cavalcanti has a certain affection for some well-known US Republicans. In a recent interview, Cavalcanti named as his favorite politician Abraham Lincoln "who bears a certain resemblance to me. He came up from the bottom and defended the oppressed. I am his reflection". To an interviewer who raised Cavalcanti's conservative politics he said, "I disagree with some of (President Bush's) positions, but I always praise those who voted for him because he defends things that need to be defended, like the family".

DANILOVICH